WILLIAM T FUJIOKA
Chief Executive Officer

County of Los Angeles
**CHIEF EXECUTIVE OFFICE**

Kenneth Hahn Hall of Administration
500 West Temple Street, Room 713, Los Angeles, California 90012
(213) 974-1101
http://ceo.lacounty.gov

*"To Enrich Lives Through Effective And Caring Service"*

Board of Supervisors
GLORIA MOLINA
First District

MARK RIDLEY-THOMAS
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

March 19, 2013

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**APPROVAL OF GRAND PARK'S**
**RENTAL RATES FOR FILMING AND EVENTS**
**(FIRST DISTRICT)**
**(3 VOTES)**

## SUBJECT

Approval of the recommended actions will lower the current filming rental rates and retain the current event rates at Grand Park.

## IT IS RECOMMENDED THAT THE BOARD:

1. Approve the revised Filming Rental Rates at Grand Park, administered by the Performing Arts Center of Los Angeles County, pursuant to the Maintenance, Operating, and Programming Agreement between the County of Los Angeles and the Performing Arts Center of Los Angeles County.

2. Authorize the Chief Executive Officer, or his designee, to review and revise, as needed, the Filming and Event Rental Rates at Grand Park.

## PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Approval of the recommended actions will significantly reduce the current filming rental rates and allow the Performing Arts Center of Los Angeles County (Music Center) to administer the revised rates, to be re-evaluated by the Chief Executive Officer (CEO), and revised as needed.

Background

On May 29, 2012, the Board authorized the CEO to execute the Maintenance, Operating, and Programming Agreement (Agreement) with the Music Center for the programming, operations, and maintenance of Grand Park (Park).

Beginning July 2012, the Park began a phased opening of each block, and it was fully open to the public in October 2012. The Park is designed to serve as an active, welcoming setting for daily activities and to create a civic gathering place for the community with cultural and ethnic celebrations, festivals, holiday events, political gatherings and the like.

The Park spans four separate blocks each with its own unique characteristics. The County and Music Center are committed to an open, inclusive, welcoming, safe, and enjoyable Park for the benefit of all. The County's and the Park's objective is to ensure that the Park is available and accessible to the public. The challenge is finding a balance between events and filming rentals, for the Park to be utilized as a Park first and foremost for the community to enjoy.

Grand Park is a newly developed County asset, and staff continues to learn the nuances and public usage patterns of the Park. The first six months of Park operations achieved over 19,000 people in attendance, over three million tv/radio clips, and over 18 million print/online impressions. The Park Director and staff have over 53 programming partnerships including, Cirque de Soleil, Grand Performances, Dizzy Feet Foundation, Glorya Kaufman Presents Dance, and Active Arts.

In August 2012, the CEO received the filming and event rental rates from the Park Director, to be administered by the Music Center pursuant to Section 24 of the Agreement. On September 21, 2012, the CEO submitted a memo to the Board establishing the Park's filming and event rental rates, taking effect on October 1, 2012.

The Park's current filming and event rental rate structure is described below:

A. Film location rental fees are $20,000 per block;

B. Photography location rental rates are at $5,500 per block; and

C. Event space rentals are categorized by corporate and commercial rates, non-profit and individual rates, and preferred rates that are offered to government agencies, producing partners, and Music Center and resident companies. Event space rentals range from $750 to $25,000 depending on the size and location of the event.

Film Industry Outreach

In October 2012, the Board requested that the CEO review the Park's filming and event rental rates, including photography location rentals. From October 2012 to February 2013, CEO staff, the Park Director, and the Music Center presented revised rental rates to the Grand Park Advisory Board and met with representatives from the Film Industry (Warner Brothers, Teamster Local 399, CBS TV, and Motion Picture Association of America), FilmL.A., California Film Commission, and other County departments to discuss the rental rates at the Park. Alternative rate structures were discussed such as $400 per day, $5,000 per block, or $6,400 for the entire Park, as well as other filming-friendly options.

At the February 14, 2013, Grand Park Advisory Board (Advisory Board) public meeting, the Park Director presented the attached proposed revised film rental rates which have been reduced by at least 74 percent from the current rates. Representatives from the Film Industry, Film L.A., California

Film Commission, and representatives from Councilman Eric Garcetti's office testified that although the revised filming rental fees have significantly been reduced, the proposed revised filming rental rates continue to be excessive. The film representatives believe that film rates should be for the entire Park, and more in line with other County owned and operated facilities. Film representatives also indicated that the inclusion of the Park in films will further advance the viability and marketing of this new County-owned asset.

In addition, the State representative testified that the State's facilities do not charge for film rentals, however, the State does charge the film company for actual staff costs incurred. Further, the State representative suggested that the film rental rates should be set at $0, similar to City and State properties to encourage job creation.

The Advisory Board members and the film industry representatives continued to discuss in depth how to address a balance between Park activities and programming with filming and event rentals that allow the Park to achieve its objectives as public open space. The film representatives stated that their request of the Park as a film location would not impact Park programming, and further confirmed the understanding that Park programming and activities would be the first priority of Park operations. The Advisory Board members further asked the film representatives, specifically Film LA, to work together with the Park Director and the CEO to develop Park filming guidelines and procedures.

The Advisory Board members advised the public in attendance that their role is to advise the Board of Supervisors on Park programming and policies and would communicate the public testimony received. The Advisory Board members directed the CEO to file the board letter so as not to incur any further delay in addressing the current film rates. A recommendation to amend the attached CEO's and Park Director's revised film rental rates to $0 for film rentals for a six-month pilot program at the time the Board letter is on the Board of Supervisors agenda was discussed. At the completion of the six-month pilot program, the Park's film and commercial activity, as well as budgetary costs incurred, will be reviewed and rates and or procedures will be revised as necessary to address achieving the County's first priority of public enjoyment at the Park.

Proposed Revised Filming and Related Rental Rates

The proposed revised film rental rate structure captures the unique cityscape surroundings, expansive views of City Hall, and its flexible use. Dependent on date, time, and location, the proposed revised filming rental rates at the Park will be decreased by this action by at least 74 percent for filming locations, and at least 27 percent for commercial photography locations (Attachment I) from the current rates. Event space rentals remain the same.

The proposed filming rental rates are summarized below:

A. Filming location rental rates range from $1,920 to $5,120 depending on the block selected, with a maximum cost of $12,000 for all blocks during off peak hours; and

B. Photography location rental rates range from $800 to $4,000, depending on commercial or non-commercial use.

Further, a 30 percent security deposit will be required to be paid one week in advance of the scheduled film or photography event to assure payment of Park costs incurred for security, site management, utilities, and any costs associated for the replacement of Park amenities or site damage incurred by the film or photography company or associated concessionaires.

Similar Facilities

Most County-owned facilities, including parks and beaches, charge a facility use fee for filming of $400 per day, while non-profit organizations operating County-owned facilities have facility use rate for filming ranging from $1,500 to $17,000 per day. County owned facilities similar to the Park like the South Coast Botanic Gardens, Descanso Gardens, and Virginia Robinson Gardens, each managed by a separate non-profit organization, have filming rental rates ranging from $1,500 to $6,400 per day.

Review of non-County facilities that have similar or unique contributions to filming locations include the Griffith Observatory, owned and operated by the City of Los Angeles Department of Recreation and Parks, and The Huntington Library, Art Collections, and Botanical Gardens, a private non-profit institution. Fees for filming at the Griffith Observatory begin at $10,000 for the exterior of the building only, while commercial still photography is set at $2,000. The Huntington Library set their filming fees at $11,000 per day.

It is recommended that the Board approve the revised filming and related rental rates and instruct the CEO and Park Director to review rental activity and report back in six months. The CEO may review and revise, as needed, the Filming and Event Rental Rates at Grand Park.

**Implementation of Strategic Plan Goals**

Approval of the proposed rates will be consistent with the County's Strategic Plan Goal of Fiscal Sustainability (Goal 2) by coordinating with public and private entities resulting in reasonable rates.

## FISCAL IMPACT/FINANCING

In accordance with Section 24 of the Grand Park Maintenance, Operating, Programming Agreement between the County and Performing Arts Center of Los Angeles County, the revenue collected from filming and event rentals will be deposited to the Grand Park Operating Budget (Organization Number 28200) to be allocated for programming. In addition, Park staff will provide filming and event rental information in their annual report to the CEO detailing the frequency, total number, and revenue generated from filming and event rentals.

## FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The County is authorized by the provisions of Government Code Section 26227 to contract with a non-profit corporation to operate programs to meet the social needs of the County which the Board of Supervisors determines to be in the best interest of the County and the general public.

The Maintenance, Operating, and Programming Agreement between the County of Los Angeles and the Music Center provides for the Music Center, as the operator, to perform the County's obligations to provide the following services: maintenance, housekeeping, security, public programming, supervision of all permitted uses, and the operations of the Park.

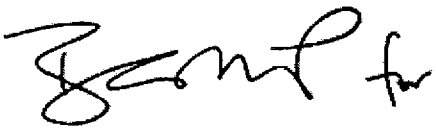
## IMPACT ON CURRENT SERVICES (OR PROJECTS)

No impact on current services.

**CONCLUSION**

Please return one adopted copy of this Board letter to the Chief Executive Office, Capital Projects Division.

Respectfully submitted,



WILLIAM T FUJIOKA
Chief Executive Officer

WTF:RLR:DJT
DKM:CF:mda

Enclosures

c: Executive Office, Board of Supervisors
County Counsel
Grand Park Advisory Board
Grand Park
Performing Arts Center of Los Angeles County

# Grand Park Film/Photography Location Rental Rates

| Current Rates | as of 10/01/2012 |
|---|---|
| Type of Shoot | Rate per block |
| Film | $ 20,000 |
| Photography | $ 5,500 |

Proposed Film Location Rental Rates (14 hours)

| Space | April - October | | November- March | | 4 Hours Anytime* |
|---|---|---|---|---|---|
| | 9am-9pm | 9pm-9am | 9am-9pm | 9pm-9am | |
| Blocks 1 and 2** | $ 6,400 | $ 5,120 | $ 5,760 | $ 5,120 | $ 2,240 |
| Block 1 | $ 5,120 | $ 4,096 | $ 4,608 | $ 4,096 | $ 1,792 |
| Block 2 | $ 3,000 | $ 2,400 | $ 2,700 | $ 2,400 | $ 1,050 |
| Block 3 | $ 2,400 | $ 1,920 | $ 2,160 | $ 1,920 | $ 840 |
| Block 4 | $ 4,500 | $ 3,600 | $ 4,050 | $ 3,600 | $ 1,575 |
| All Blocks*** | | $ 12,000 | $ - | $ 12,000 | $ - |

Proposed Photography Location Rental Rates (6 hours)

| Space | April - October | | November- March | | 2 Hours Anytime |
|---|---|---|---|---|---|
| | 9am-9pm | 9pm-9am | 9am-9pm | 9pm-9am | |
| Commercial | | | | | |
| Block 1 | $ 4,000 | $ 3,200 | $ 3,600 | $ 3,200 | $ 1,400 |
| Block 2 | $ 2,000 | $ 1,600 | $ 1,800 | $ 1,600 | $ 700 |
| Block 3 | $ 2,000 | $ 1,600 | $ 1,800 | $ 1,600 | $ 700 |
| Block 4 | $ 2,000 | $ 1,600 | $ 1,800 | $ 1,600 | $ 700 |
| Non - Commercial | | | | | |
| Block 1 | $ 2,000 | $ 1,600 | $ 1,800 | $ 1,600 | $ 700 |
| Block 2 | $ 1,000 | $ 800 | $ 900 | $ 800 | $ 350 |
| Block 3 | $ 1,000 | $ 800 | $ 900 | $ 800 | $ 350 |
| Block 4 | $ 1,000 | $ 800 | $ 900 | $ 800 | $ 350 |

* 4 Hours Anytime is reserved for small film shoots

**Blocks 1 and 2 are treated as one rental. Rate applies to both blocks and cannot be separated.

***All Blocks are treated as one rental for up to 14 hours. Rate applies to all blocks, and cannot be separated.

Film/Photo Shoot Rate Assumptions

1. All location space rentals are subject to availability.
2. Additional time will incur additional charges.
3. Thirty percent security deposit is required.
4. Mandatory: Site Manager, Security, and Union Call charges (if applicable) are an additional cost.
5. Add-on charges: Housekeeping, Usher staff, Engineering, and Fountain Operation will apply on a case-by case basis.
6. Special circumstances may be considered.

# GRAND PARK EVENT RENTAL RATES

| EVENT SPACE RENTAL RATES | | | |
|---|---|---|---|
| **Space*** | **Corporate & Commercial Rates** | **Non-Profit & Individual Rates** | **Preferred Rates**** |
| Overlook Plaza | $2,000 - 5,000 | $1,000 | $750 |
| Fountain Plaza | N/A | N/A | N/A |
| Olive Court | $2,000 - 5,000 | $1,000 | $750 |
| Performance Lawn*** | $5,000 - 8,000 | $2,500 | $1,000 |
| Community Terrace | $2,000 - 5,000 | $1,000 | $750 |
| Event Lawn*** | $15,000 - 25,000 | $5,000 | $2,500 |

* Smaller spaces not included on this list may be available for rent

** Preferred Rates are offered to Government Agencies, Producing Partners, and Music Center/Resident Companies

***10% of gross ticket sales, but not less than the rental rate amount indicated, and exclusive of facility users fee, if applicable